

BEFORE THE SCHOOL BOARD OF
LINCOLNWOOD SCHOOL DISTRICT 74

In re:)
)
Kevin J. Nohelty,)
)
Respondent.)

AMENDED BILL OF PARTICULARS

The School Board of the Lincolnwood School District 74 (the "District") hereby provides notice of the charges to be presented as just cause to remove Dr. Kevin J. Nohelty ("Respondent") from the position of Assistant Superintendent for Business for the District.

Respondent is charged with the following instances of misconduct and non-performance and the resulting damages and/or unacceptable exposure to risk of damages to the District in that Respondent:

I. Misconduct

- a. concealed and/or recklessly failed to disclose to the District Finance Committee the District's auditors' Management Report, dated October 27, 2011, outlining deficiencies in the District's internal financial controls to the District Finance Committee;
- b. concealed and/or recklessly failed to disclose the October 27, 2011 Management Report to the District at any School Board meeting;
- c. in a January 17, 2012 letter, responded to a FOIA request to the District seeking "the most recent report on internal controls furnished by your auditor," by misrepresenting that the District was not in possession of such records when it was;



II. Nonperformance of Significant Responsibilities

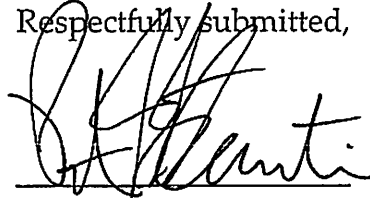
- a. failed to facilitate implementation of the iVision system or properly address concerns by staff caused by inaccuracies within the iVision system;
- b. improperly accounted for District's legal expenditures and used levy funds to pay District's non-tort legal fees;
- c. failed to properly account for District funds and to balance the District's books (including accounts and sub-accounts) and financial records;
- d. allowed the District to fail to make three scheduled payments due on a \$15m Note to the Northern Trust Co. causing a default under that note;
- e. failed to timely advise Northern Trust Co. that on or about December 19, 2011, the District had abandoned the \$15m Note;
- f. allowed the District to fail to make a scheduled December 1, 2011 payment on a \$7m Note, causing a default under that note;
- g. provided District residents and School Board members with incorrect/incomplete financial information at a February 2, 2012 District School Board meeting regarding furniture expenditures and failing adequately to account for \$1.4m in funds; and
- h. permitted the District to pay sales tax on superintendent's car despite the applicability of a sales tax exemption.

III. Damages and Unacceptable Exposure to Risk Include:

- a. exposed the District to violation of FOIA (5 ILCS 140/11(j)) and to associated fines;
- b. defaults on notes threaten District's superior bond rating;
- c. exasperated the community concern regarding the competence of School Board;
- d. threatened student activities;
- e. exposed the District to loss of funds; and

- f. exposed the District to all negative implications of failure to maintain accounting books and records.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Stamatis', written over a horizontal line.

Attorney for Lincolnwood School
District 74

Peter S. Stamatis
Law Offices of Peter S. Stamatis, PC
77 West Wacker Drive
Suite 4800
Chicago, Illinois 60601
312.606.0045